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1 February 1950

Mr. W. Park Armstrong
Special Assistant, Intelligence
Department of State

Dear Mr. Armstrong:

As you know, General Smith has written to the Secretary of State to indicate in broad terms how he envisions the allocation of certain intelligence responsibilities, in line with National Security Council Directives, as between the Department of State and the Central Intelligence Agency. This letter was based on the principles agreed to in our recent discussions on the responsibilities of the Department and Central Intelligence Agency with reference to certain functions (formerly performed in Central Intelligence Agency by the Office of Reports and Estimates, To assist you in planning to meet the additional burden which will fall on the Department, I am outlining my understanding of the agreements upon which General Smith's letter is based.

The Department has responsibility for intelligence research in the political, cultural and sociological fields. The research work hitherto performed in these fields by our former Office of Reports and Estimates is discontinued and the Department will be responsible for meeting the requests from all departments and agencies previously handled by the Office of Reports and Estimates. This will include initiation of requirements for intelligence collection and evaluation of raw information reports in these fields. The Department will undoubtedly have further demands on its resources arising from its increasing participation in the preparation of National Intelligence Estimates.

As a guide towards estimating the increased burden on the Department, I might point out that Central Intelligence Agency is discontinuing, among other activities, the following:

1. Political research to meet the requests of the National Security Council, the Joint Chiefs of Staff and other departments and agencies;
2. Intelligence research for psychological warfare;
3. Intelligence research on international organizations, particularly United Nations;

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4. Intelligence research on world Communism;
5. Intelligence research in the political, cultural and sociological fields for the internal needs of Central Intelligence Agency

The Central Intelligence Agency wishes to assist the Department in meeting these new responsibilities, as is indicated in General Smith's letter. To fulfill this obligation, Central Intelligence Agency is prepared to:

1. Provide, for the remainder of fiscal 1951, funds for additional personnel up to the amount of \$200,000. We have both estimated that the number of additional personnel which the Department may need is approximately 150.
2. Cooperate in the detail or transfer to the Department of any available personnel formerly engaged in the Office of Research and Estimates. The Department is free to discuss such detail or transfer directly with the personnel involved.

I understand that working negotiations are under way on these points. Copies of this letter have been distributed to the appropriate officers in this organization for policy guidance. I hope you and I may meet for further discussions if the need arises in the course of these negotiations.

Sincerely,

WILLIAM H. JACKSON
Deputy Director of
Central Intelligence

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